

# Order

Michigan Supreme Court  
Lansing, Michigan

May 24, 2006

Clifford W. Taylor,  
Chief Justice

ADM File No. 2006-15

Michael F. Cavanagh  
Elizabeth A. Weaver  
Marilyn Kelly  
Maura D. Corrigan  
Robert P. Young, Jr.  
Stephen J. Markman,  
Justices

Proposed Amendment  
of Rule 2.420 of the  
Michigan Court Rules

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On order of the Court, this is to advise that the Court is considering amending Rule 2.420 of the Michigan Court Rules. Before determining whether the proposal should be adopted, changed before adoption, or rejected, this notice is given to afford interested persons the opportunity to comment on the form or the merits of the proposal or to suggest alternatives. The Court welcomes the views of all. This matter will be considered at a public hearing. The notices and agendas for public hearings are posted on the Court's website at [www.courts.michigan.gov/supremecourt](http://www.courts.michigan.gov/supremecourt).

Publication of this proposal does not mean that the Court will issue an order on the subject, nor does it imply probable adoption of the proposal in its present form.

[The present language would be amended as indicated below  
by strikeouts and underlining.]

Rule 2.420 Settlements and Judgments for Minors and Legally  
Incapacitated Individuals

- (A) [Unchanged.]
- (B) Procedure. In actions covered by this rule, a proposed consent judgment, settlement, or dismissal pursuant to settlement must be brought before the judge to whom the action is assigned and the judge shall pass on the fairness of the proposal.
  - (1) [Unchanged.]
  - (2) [Unchanged.]
  - (3) If a ~~next friend~~, guardian, or conservator for the minor or legally incapacitated individual has been appointed by a probate court, the terms of the proposed settlement or judgment may be approved by the court in which the action is pending upon a finding that the

payment arrangement is in the best interests of the minor or legally incapacitated individual, but no judgment or dismissal may enter until the court receives written verification from the probate court, on a form substantially in the form approved by the state court administrator, that it has passed on the sufficiency of the bond and the bond, if any, has been filed with the probate court.

- (4) The following additional provisions apply to settlements for minors.
- (a) If the settlement or judgment requires payment of more than \$5,000 to the minor either immediately, or if the settlement or judgment is payable in installments that exceed \$5,000 in any single year during minority, a conservator must be appointed by the probate court before the entry of the judgment or dismissal. The judgment or dismissal must require that payment be made to the minor's conservator on behalf of the minor. The court shall not enter the judgment or dismissal until it receives written verification, on a form substantially similar to the form approved by the state court administrator, that the probate court has passed on the sufficiency of the bond of the conservator.
  - (b) If the settlement or judgment does not require payment of more than \$5,000 to the minor in any single year, the money may be paid in accordance with the provisions of MCL 700.5102.

- (5) [Unchanged.]

Staff Comment: The proposed amendment of MCR 2.420 would clarify the requirement that the payment of proceeds may only be made to a conservator on behalf of a legally incapacitated adult or a minor entitled to more than \$5,000 in any one year during minority.

The staff comment is published only for the benefit of the bench and bar and is not an authoritative construction by the Court.

A copy of this order will be given to the Secretary of the State Bar and to the State Court Administrator so that they can make the notifications specified in MCR 1.201.

Comments on these proposals may be sent to the Supreme Court Clerk in writing or electronically by September 1, 2006, at P. O. Box 30052, Lansing, MI 48909, or [MSC\\_clerk@courts.mi.gov](mailto:MSC_clerk@courts.mi.gov). When filing a comment, please refer to ADM File No. 2006-15. Your comments and the comments of others will be posted at [www.courts.mi.gov/supremecourt/resources/administrative/index.htm](http://www.courts.mi.gov/supremecourt/resources/administrative/index.htm).



I, Corbin R. Davis, Clerk of the Michigan Supreme Court, certify that the foregoing is a true and complete copy of the order entered at the direction of the Court.

May 24, 2006

*Corbin R. Davis*  
Clerk